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TO RUEHC/SECSTATE WASHDC IMMEDIATE 5465  
INFO RUCNASE/ASEAN MEMBER COLLECTIVE  
RUEHGG/UN SECURITY COUNCIL COLLECTIVE  
RUEHBY/AMEMBASSY CANBERRA 0046  
RUEHNE/AMEMBASSY NEW DELHI 3638  
RUEHUL/AMEMBASSY SEOUL 7144  
RUDKIA/AMCONSUL CHIANG MAI 0740  
RHFMUNA/CDR USPACOM HONOLULU HI  
RUEHGV/USMISSION GENEVA 2955  
RHEHNSC/NSC WASHDC  
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RUEKJCS/SECDEF WASHDC  
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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001741

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STATE FOR EAP AND IO; PACOM FOR FPA

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TAGS: PGOV PREL BM

SUBJECT: THAIS LOOKING FOR NEW DIRECTIONS IN BURMA

REF: A. RANGOON 1704

B. RANGOON 1701

Classified By: P/E Chief Leslie Hayden for Reasons 1.4 (b) and (d)

¶1. (C) Pol/econ chief met with Thai Embassy poloff Pornpan Mah November 28 to discuss Thai PM Surayud Chulamont's visit to Burma. Pornpan said Thailand is no longer willing to be on the front-line defending the regime's actions to the international community, but will in the future carefully consider political factors as well as economic interests. While Surayud did not raise the controversial Salween Dam Project during his meetings in Burma, he did tell the regime Thailand remains interested in purchasing rights to Burma's natural gas and petroleum resources, as well as moving forward with other ongoing economic projects. Since the 2004 ouster of former Prime Minister Khin Nyunt, Thailand has tried unsuccessfully to open a dialogue with regime leaders Than Shwe and Maung Aye. They are now concentrating efforts on the regime number three, General Thura Shwe Mann, whom they see as one of the only officials able to deliver frank messages to Burma's top leaders. Before his recent trip to Pakistan, Thura Shwe Mann stopped in Bangkok for private talks with Thai MFA Permanent Secretary Krit Garnjana-Goonchorn. End summary.

¶2. (C) Thai Embassy poloff Pornpan Mah gave pol/econ chief an overview of Thai PM Surayud's November 24 visit to Burma. Pornpan said that, although her Ambassador had not yet shared with Embassy staff the details of the Prime Minister's private meeting with Than Shwe and Maung Aye, he remarked the meeting was unusually long, and said the PM was straightforward and frank with Burma's top two Generals. The Ambassador noted that, unlike previous meetings he had attended, Maung Aye did not participate at all and seemed unhappy with Surayud's tough message.

¶3. (C) Afterwards, Surayud met with his official counterpart, PM Soe Win, who was joined by ten other GOB ministers, including the Ministers of Energy, National Planning, Labor, and Transport. In contrast to Surayud's meeting with Than Shwe and Maung Aye, the Cabinet meeting was cordial and productive, Pornpan said. The two prime ministers discussed employment procedures for Burmese

nationals now living illegally in Thailand and Burmese guest workers. Pornpan said Surayud assured Soe Win that the new Thai government would proceed with plans to allow Burmese living illegally in Thailand to work, together with a new plan to allow ten thousand legal guest workers to come to Thailand from Burma. The GOB currently has three checkpoints along the Thai-Burma border where Burmese living in Thailand can register as Burmese nationals to receive a temporary passport that allows them to register to work legally in Thailand. Pornpan claims the system is working well so far.

¶4. (C) When asked whether Burmese residents in refugee camps in Thailand would also be eligible to participate in this program, Pornpan said Thailand had approached the GOB to explore whether they would be receptive to visiting the camps and discussing repatriation options for camp residents, but said the GOB had shown no interest.

¶5. (C) Pornpan said that no one raised the controversial hydropower projects on the Salween River during the meeting, but said that Surayud conveyed Thailand's continued interest in purchasing natural gas from the newly discovered Shwe fields (ref A) and any future petroleum discoveries. The GOB remained non-committal, emphasizing intense international competition for these resources. The two parties also discussed the proposed establishment of Free Industrial Zones, but according to Pornpan, the Burmese want to establish the zones in Hpa-an in Karen State and Moulmein (Mawlamyaine) in Mon State, while the Thais prefer establishing a zone along the actual border at Myawaddy. The PM also told the GOB that Thailand was ready to proceed with the signing of an Agreement on Investment Protection and Promotion that was postponed after Thaksin's ouster; officials are now trying to set up a signing date.

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¶6. (C) Pornpan said the regime asked for a one-year extension of the four billion baht credit line extended them by Thai Export-Import Bank because the GOB is unable to spend the total amount before the current December 2006 deadline. Pornpan reported Surayud agreed to take the matter up with the bank, but emphasized that any final decision regarding the loan would be made with "full transparency." Thai media reports suggest the Thai government is investigating some Thai organizations involved in the original loan for possible conflict of interest involving the Thaksin family.

¶7. (C) Surayud also thanked the GOB for their "excellent" cooperation on reducing heroin and methamphetamine smuggling into Thailand, and emphasized Thailand remained concerned about precursor chemicals being smuggled into Thailand via Burma. Surayud also proposed greater bilateral cooperation on HIV/AIDS prevention and trafficking in persons.

¶8. (C) When we asked whether the new Thai government was changing the tone of its relationship with Burma, Pornpan replied that Thailand was no longer willing to serve on the "front-line," defending the regime's actions and inactions to the international community. The Thai government would consider future political decisions about Burma carefully, she emphasized. Pornpan said that all Thai efforts to establish an on-going dialogue with Than Shwe and Maung Aye had been rebuffed since the ouster of PM Khin Nyunt. Similar efforts by the Chinese and Indians had also been unproductive, she said. The regime seems intent on isolating itself, Pornpan observed, so the Thais have decided to focus their efforts on the regime's number three, Thura Shwe Mann, who they believe is the person most able and likely to deliver accurate and frank messages to Than Shwe and Maung Aye. The Thais believe Thura Shwe Mann remains very loyal to Than Shwe, but will also not go against Maung Aye. Pornpan shared that Thura Shwe Mann quietly stopped in Bangkok during his recent trip to Pakistan for talks with Thai MFA Permanent Secretary Krit Garnjana-Goonchorn. She said the Thai Embassy

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maintains contact with Thura Shwe Mann primarily through Dr. Khin Shwe, a construction magnate whose daughter is married to Thura Shwe Mann's youngest son. Khin Shwe was close to Khin Nyunt, but managed to survive the purge following his ouster. He is rumored to personally dislike the current regime, but maintains a relationship with them for business purposes.

¶7. (C) Pornpan said that during the Thai Ambassador's flight back from the meetings in Nay Pyi Taw, he had sat next to Minister of Information Kyaw Hsan, who told the Ambassador that he would soon be named Commerce Minister, a lucrative position in the regime, replacing Brigadier General Tin Naing Thein. The Thais have also heard rumors of other modest changes in an impending cabinet shuffle, but have no specifics.

¶8. (C) Comment: Although they both took power through coups, Thailand's ruling generals are negotiating a return to democracy, the generals running Burma are unwilling to negotiate with anyone. The Thai's pursuit of Thura Shwe Mann echoes other reports that he may be reaching out to the Europeans (ref B). Although it is tempting to think the international community could open a productive back-channel to the regime, this may also be another of Than Shwe's ploys to divide the international community and undermine broad support for a UNSC resolution. While the new Thai government may be less willing to prop up Burma's regime internationally than Thaksin was, its economic interests, especially in the energy sector, will still come first in the relationship.

End comment.

STOLTZ